



CENTRAL INTELLIGENCE AGENCY

*Memorandum of Conversation*

DATE: 9 OCT 1967

SUBJECT : Possible Further Budget Reductions

PARTICIPANTS: House Committee on Appropriations  
Mr. Robert L. Michaels, Staff Member

CIA

Colonel L. K. White, Executive Director-Comptroller

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1. On 6 October 1967 at his request I telephoned Bob Michaels to discuss with him the possibility of further reductions in CIA's Fiscal Year 1968 budget. I told Bob that I understand the problem Chairman Mahon has on his platter and that we will certainly do our best to comply with his wishes whatever they are. 25X1

2. I then reminded Bob that we have already squeezed [ ] million out of Fiscal Year 1968 programs in order to accommodate certain projects [ ] on a full-year basis. He did remember this. I then said that we have received some cables from the field which indicate that we might have a considerable shortfall in funds for expenditures for the "other war" (Laos) in the Far East. 25X1 In addition, a certain sensitive program (OXCART), which was scheduled to be phased out the end of this year, might be extended for three months at a cost to the Agency of [ ] for which we have not budgeted. I said that, all in all, I am fearful we might have to tap the Reserve very heavily or get in on a supplemental appropriation in order to see the year through. 25X1

3. Bob said he completely understands the situation and does not anticipate that we will be asked to come down to supply further details. I told him that we would be more than happy to come if the Chairman so desires.

[ ]

L. K. White

Executive Director-Comptroller